

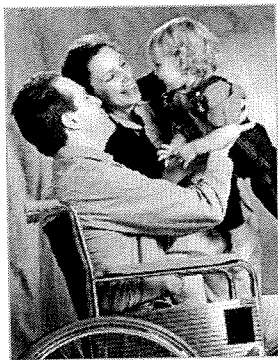
## Section 7: Medigap Policies and Disability or ESRD

### Right to suspend a Medigap policy for people with Medicare who have a disability

If you are under age 65, have Medicare, have a Medigap policy, and have employer group health plan coverage, you have a right to put your Medigap policy on hold (“suspend”). Your Medigap coverage will stop, and you don’t have to pay the monthly premium while you are enrolled in your or your spouse’s employer group health plan. You won’t have to pay more when you start your Medigap policy again than you would otherwise have to pay if you had not suspended your policy.

If, for any reason, you lose your employer group health plan coverage, you can get your Medigap policy back. Within 90 days of losing your employer group health plan coverage, you must notify your Medigap insurance company that you want your Medigap policy back. If your Medigap policy included prescription drug coverage, you can still get your Medigap policy back but without the prescription drug coverage (after January 1, 2006).

Your Medigap benefits and premiums will start again on the day your employer group health plan coverage stops. The Medigap policy must have the same benefits and premiums it would have had if you had never suspended your coverage. Your Medigap insurance company can’t refuse to cover care for any pre-existing conditions (health problems) you have (see page 29). So, if you are disabled and working, you can enjoy the benefits of your employer’s insurance while knowing that you will be able to get your Medigap policy back when you need it.



“I wasn’t sure if I could buy a Medigap policy, so I called my State Health Insurance Assistance Program. They were very helpful and answered all of my questions.”



*section* **8**



# **Other Ways to Pay Health Care Costs**

This section has helpful information about other ways to pay for your health care.



## Section 8: Other Ways to Pay Health Care Costs

### Other kinds of insurance and ways to pay health care costs

There are other kinds of health care coverage, besides a Medigap policy, that may pay some of your health care costs not covered by Medicare. The chart on pages 71–77 describes some of the following types of insurance and other ways to pay health care costs:

	Page(s)
COBRA coverage .....	71–72
Employee or retiree coverage from an employer or union .....	72
Federally Qualified Health Centers (FQHCs) .....	72
Home and Community-Based Service/Waiver programs (HCBS) .....	73
Hospital indemnity insurance .....	73
Long-term care insurance .....	73
Medicaid .....	74–75
Medicare-approved drug discount cards .....	75
Medicare Savings Programs (help from your state) .....	76
Military retiree benefits (TRICARE) .....	76
PACE (Programs of All-inclusive Care for the Elderly) .....	76
Prescription drug and other assistance programs .....	77
Specified disease insurance .....	77
State Children’s Health Insurance Program (SCHIP) .....	77
Veterans’ benefits .....	77

## Section 8: Other Ways to Pay Health Care Costs

Types of insurance or other ways to pay health care costs...	A quick look at how it works...
<p><b>COBRA</b>          (“Continuation Coverage” under the Consolidated Omnibus Budget Reconciliation Act) may give you and your dependents the right to keep your health care coverage temporarily if</p> <ul style="list-style-type: none"> <li>• you lose your job,</li> <li>• your working hours are reduced,</li> <li>• you leave your job voluntarily, or</li> <li>• your employer goes bankrupt.</li> </ul> <p>COBRA may also help your spouse temporarily keep health care coverage if you die, or you get divorced.</p>	<p>If you are covered under an employer or retiree health plan, and you lose your coverage for one of the reasons listed in the left-hand column, COBRA allows you to keep your coverage for a while longer. However, if you also have Medicare you need to know about how COBRA may affect some of your choices under Medicare and Medigap.</p> <p><b>When you have COBRA coverage before Medicare starts</b></p> <p>If you already have COBRA when you enroll in Medicare, your employer may stop your COBRA coverage entirely, or change the length of time your spouse can have coverage under COBRA.</p> <p>However, if you have the opportunity to keep your COBRA for a while, you might think it’s better to keep the COBRA and not start paying premiums under Medicare Part B. Here’s what you need to consider:</p> <ul style="list-style-type: none"> <li>• When you become eligible for Medicare at age 65 you have an “Initial Enrollment Period” for Part B. Some people who are still working can wait and have a “Special Enrollment Period” after they stop working. However, if you or your spouse aren’t working, you will have to pay more for Part B if you join after your Initial Enrollment Period. Therefore, you need to think about how long you will be able to keep your COBRA, and whether you would be better off if you sign up for Part B.</li> <li>• Enrolling in Part B, regardless of when you enroll after you are age 65, starts your six-month Medigap open enrollment period. Once this period starts, it can’t be changed. If you stay on COBRA, and enroll in Part B, but decide to wait until after your open enrollment period to buy a Medigap policy, you may have trouble buying a Medigap policy if you have health problems.</li> <li>• Once your open enrollment period ends, the only way you have guaranteed rights to buy a Medigap policy is if you have “Medigap protections.” (See Medigap protections, <b>Situation #2</b> on page 57.)</li> </ul> <p>Whatever you decide to do, you need to keep in mind the timeframes for getting each type of coverage:</p> <ul style="list-style-type: none"> <li>• For <b>COBRA</b> you have 60 days to sign up for the coverage, beginning either the day you lose your employer coverage, or the day you get a notice that you have COBRA rights, whichever comes later.</li> </ul>



## Section 8: Other Ways to Pay Health Care Costs

Types of insurance or other ways to pay health care costs...	A quick look at how it works...
<b>COBRA (continued)</b>	<p>Whatever you decide to do, you need to keep in mind the timeframes for getting each type of coverage: (continued)</p> <ul style="list-style-type: none"> <li>• Your <b>Initial Enrollment Period</b> for Part B starts three months before you turn age 65.</li> <li>• Your <b>Medigap open enrollment period</b> is the six-month period that starts on the first day of the month in which you are both age 65 or older <b>and</b> enrolled in Medicare Part B. During this period you have the right to buy <b>any</b> Medigap policy.</li> <li>• For <b>Medigap protections</b> you have 63 days to sign up after you find out that your employer coverage has ended.</li> <li>• If you decide you want to join a <b>Medicare health plan</b> instead of the Original Medicare Plan, there may be limits on the times you can enroll.</li> </ul>
<p><b>Employee or retiree coverage from an employer or union may help</b> employees or spouses who had health care coverage from a current or previous employer or union.</p>	<p>In some cases, you or your spouse might be able to get your health care coverage from an employer or union based on your or your spouse's current employment. This is called "employee coverage."</p> <p>Some employers or unions might let you or your spouse continue your health care coverage after the employment ends. This is called "retiree coverage."</p> <p>If you have this type of coverage from an employer or union, they may change the benefits or premiums, and may also be able to cancel the coverage if they choose.</p> <p>If you or your spouse are working and have group health coverage based on current or active employment there are special things to think about with Part B and Medigap policies. See the information about Medigap open enrollment period on pages 26–28.</p> <p><b>Employee and retiree coverage and Medigap</b></p> <p>If you have employee or retiree coverage and it ends, you may have the right to buy a Medigap policy. You may get a notice or claim denial letting you know that your health care coverage is ending. You have 63 calendar days from the date your coverage ends or from the notice or claim denial to apply for a Medigap policy (see Medigap protections, <b>Situation #2</b> on page 57).</p>
<p><b>Federally Qualified Health Centers (FQHCs) may help</b> people who live near a FQHC.</p>	<p>FQHCs are special health centers, usually located in urban or rural areas, that can give routine health care at a lower cost. Some FQHCs are Community Health Centers, Tribal FQHC Clinics, Certified Rural Health Clinics, Migrant Health Centers, and Health Care for the Homeless Programs.</p>

## Section 8: Other Ways to Pay Health Care Costs

Types of insurance or other ways to pay health care costs...	A quick look at how it works...
<b>Home and Community-Based Service/Waiver programs (HCBS) may help</b> certain elderly and disabled individuals.	HCBS programs are available to some people with Medicaid. They offer services and programs that help you get care in your home and community. Some examples of this care include homemaker services, personal care, adult day care, meals, and transportation. This program allows you to stay more independent.
<b>Hospital indemnity insurance may help</b> pay for hospital stays up to a certain number of days.	This kind of insurance pays a set amount of money for each day of a hospital stay. You won't need this insurance if your health insurance coverage or Medigap policy already pays for this type of care. This insurance doesn't fill gaps in your Medicare coverage. It usually pays in addition to your health insurance.
<b>Long-term care insurance may help</b> pay for your health or personal care needs and activities of daily living, such as bathing, dressing, using the bathroom, and eating.	<p>Long-term care insurance is sold by private insurance companies and usually covers medical care and non-medical care. Make sure you choose the long-term care insurance policy that best meets your needs.</p> <p>For information about long-term care insurance, get a copy of "A Shopper's Guide to Long-Term Care Insurance" from either your State Insurance Department (see pages 85–86) or the National Association of Insurance Commissioners, 2301 McGee Street, Suite 800, Kansas City, MO 64108-3600. Or, call your State Health Insurance Assistance Program (see pages 85–86).</p>



## Section 8: Other Ways to Pay Health Care Costs

Types of insurance or other ways to pay health care costs...	A quick look at how it works...
<p><b>Medicaid may help</b> people with limited incomes and resources.</p>	<p>Medicaid helps pay your medical costs. Since Medicaid is a joint Federal and state program, coverage varies from state to state.</p> <p>People with Medicaid may get coverage for things like nursing home care and home care that aren't covered by Medicare.</p> <p>Starting in 2006, Medicare will cover outpatient prescription drugs instead of Medicaid. Medicare will send you information about these changes in 2005.</p> <p><b>Medicaid and Medigap</b></p> <p>If you have a Medigap policy and then get Medicaid, there are a few things you should know:</p> <ul style="list-style-type: none"> <li>• You can put your Medigap policy on hold ("suspend") within 90 days of getting Medicaid.</li> <li>• You won't have to pay your Medigap policy premiums while it is suspended.</li> <li>• Your Medigap policy won't pay benefits while the Medigap policy is suspended.</li> <li>• You can suspend a Medigap policy for up to two years.</li> <li>• At the end of the suspension, you can restart the Medigap policy without new medical underwriting or pre-existing condition waiting periods.</li> <li>• Starting January 1, 2006, if you suspend your Medigap policy and it includes prescription drug coverage, you can still get the Medigap policy back but without the prescription drug coverage.</li> </ul> <p>To help you with making a decision about suspending a Medigap policy, call your State Medical Assistance Office. To get their telephone number, call 1-800-MEDICARE (1-800-633-4227). For questions about suspending a Medigap policy, call your insurance company.</p>

## Section 8: Other Ways to Pay Health Care Costs

Types of insurance or other ways to pay health care costs...	A quick look at how it works...
<b>Medicaid (continued)</b>	<p>If you already have health insurance coverage through your state Medicaid Program, an insurance company can sell you a Medigap policy only in certain situations:</p> <ul style="list-style-type: none"> <li>• The insurance company can legally sell you any Medigap policy if Medicaid pays your Medigap policy premium or if Medicaid only pays your Medicare Part B premium.</li> <li>• The insurance company can legally sell you Medigap Plans H, I, or J if Medicaid only pays your Medicare premiums, deductibles, or coinsurance. (This only applies to Medigap policies sold <b>between now and January 1, 2006.</b>)</li> </ul> <p>In any other situation, it is illegal for an insurance company to sell you a Medigap policy if you are getting any Medicaid benefits.</p>
<p><b>Medicare-approved drug discount cards may help</b> people save money on prescription drugs.</p>	<p>Medicare contracts with private companies to offer drug discount cards. This is a temporary program to help with your prescription costs until Medicare prescription drug plans start in 2006. You can enroll in this program through November 30, 2005.</p> <p>Medicare-approved drug discount cards are good until May 15, 2006, or until you enroll in a Medicare prescription drug plan, whichever is first. You might be able to save on prescription drugs with a Medicare-approved drug discount card. For more information about Medicare-approved drug discount cards, visit <a href="http://www.medicare.gov">www.medicare.gov</a> on the web. Select "Search Tools" at the top of the page. Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.</p> <p><b>Drug discount cards and Medigap Policies</b></p> <p>You might already have a drug discount card with your Medigap policy. If the drug discount card you have with your Medigap policy isn't a Medicare-approved drug discount card, you can also get a Medicare-approved drug discount card.</p>



## Section 8: Other Ways to Pay Health Care Costs

Types of insurance or other ways to pay health care costs...	A quick look at how it works...
<p><b>Medicare Savings Programs (help from your state as part of the State Medical Assistance Program) may help</b> people with limited income and resources.</p>	<p>These programs can help pay your Medicare premiums and, in some cases, may also pay Medicare deductibles and coinsurance. To be eligible for this program, you must meet certain requirements.</p> <p>These programs may not be available in Guam, Puerto Rico, the Virgin Islands, the Northern Mariana Islands, and American Samoa.</p> <p>To find out if these programs are available in your area or for more information, call your State Medical Assistance Office. To get their telephone number, call 1-800-MEDICARE (1-800-633-4227). Since the names of these programs may vary by state, ask for information on Medicare Savings Programs.</p>
<p><b>Military retiree benefits (TRICARE) may help</b> active duty and retired uniformed services members and their families.</p>	<p>TRICARE is a health care program that offers medical coverage to eligible members. The TRICARE Program includes TRICARE Prime, TRICARE Extra, TRICARE Standard, and TRICARE for Life (TFL).</p> <p>If eligible, you get all Medicare-covered benefits under the Original Medicare Plan, plus all TFL-covered benefits.</p> <p>For more information about the TRICARE Programs, call 1-800-538-9552 or visit <a href="http://www.tricare.osd.mil">www.tricare.osd.mil</a> on the web.</p>
<p><b>PACE (Programs of All-inclusive Care for the Elderly) may help</b> frail people who live in the service area of PACE.</p>	<p>PACE combines medical, social, and long-term care services for frail people. PACE might be a better choice for you than getting your care through a nursing home. PACE is available only in states that have chosen to offer it under Medicaid. If you live in a state that offers PACE, and you have Medicare and are eligible for PACE, you can choose to get your Medicare benefits through this program.</p> <p>To find out if you are eligible and if there is a PACE site near you, or for more information, call your State Medical Assistance Office. To get their telephone number call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Or, visit <a href="http://www.medicare.gov">www.medicare.gov</a> on the web.</p>

## Section 8: Other Ways to Pay Health Care Costs

Types of insurance or other ways to pay health care costs...	A quick look at how it works...
<p><b>Prescription drug and other assistance programs may help</b> people get discounted or free prescription drugs.</p>	<p>Some states offer programs that either offer lower cost or free prescription drugs. They may also offer other assistance programs to help pay for your other health care costs. To be eligible for these programs, you must meet certain requirements. For more information, visit <a href="http://www.medicare.gov">www.medicare.gov</a> on the web. Select “Search Tools” at the top of the page. Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.</p> <p><b>Prescription drugs and Medigap</b> If you are thinking about signing up for your state’s prescription drug assistance program and you haven’t yet bought a Medigap policy, get your Medigap policy <b>before</b> you apply for prescription drug assistance. After you get the prescription drug assistance you might not be able to buy a Medigap policy.</p>
<p><b>Specified disease insurance may help</b> people with a certain type of disease.</p>	<p>Specified disease insurance pays benefits for a single disease, such as cancer, or for a group of diseases. You usually have to buy this insurance before you are diagnosed or treated for the specified disease.</p> <p>You won’t need this insurance if your health insurance coverage or Medigap policy already pays for this type of care. This insurance doesn’t fill gaps in your Medicare coverage. It usually pays in addition to your health insurance.</p>
<p><b>State Children’s Health Insurance Program (SCHIP) may help</b> uninsured children under age 19.</p>	<p>Some states offer free or low-cost health insurance to uninsured children whose families don’t qualify for Medicaid. For more information about your state’s program, visit <a href="http://www.cms.hhs.gov/schip/">www.cms.hhs.gov/schip/</a> on the web.</p>
<p><b>Veterans’ benefits may help</b> people who have had any military service or are veterans.</p>	<p>The U.S. Department of Veterans Affairs offers health care benefits and other types of benefits and services to eligible members. For more information about VA benefits and services, call the U.S. Department of Veterans Affairs at 1-800-827-1000.</p>



# Notes



“Be sure to compare Medigap policies and your other Medicare health care options. It could save you money.”



*section* **9**



# **Massachusetts, Minnesota, and Wisconsin Medigap Plans**

Different types of standardized Medigap plans are sold in these three states. For standardized Medigap plans sold in other states, see pages 19 and 21.



## Section 9: Massachusetts, Minnesota, Wisconsin Medigap Plans

### Massachusetts – Chart Of Standardized Medigap Plans

#### Basic benefits included in all plans:

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance and the cost of 365 extra days of hospital care during your lifetime after Medicare coverage ends.
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved payment amount).
- **Blood:** Covers the first three pints of blood each year.

Medigap Benefits	Core Plan	Core Plan with Rider*	Supplement 1 Plan	Supplement 2 Plan
Basic Benefits	✓	✓	✓	✓
Medicare Part A: Inpatient Hospital Deductible			✓	✓
Medicare Part A: Skilled-Nursing Facility Coinsurance			✓	✓
Medicare Part B: Deductible			✓	✓
Foreign Travel Emergency		✓	✓	✓
Inpatient Days in Mental Health Hospitals	60 days per calendar year		120 days per benefit year	120 days per benefit year
Prescription Drugs** (\$35 deductible each calendar quarter, then 100% coverage for generic drugs and 80% coverage for brand name drugs)		✓ (Limited)		✓ (Limited)
State-Mandated Benefits (Annual Pap tests and mammograms. Check your plan for other state-mandated benefits.)	✓		✓	✓

\* This plan, offered by Blue Cross and Blue Shield of Massachusetts, also provides coverage for the following services: routine vision services, routine dental services, routine hearing services, fitness programs, and weight loss programs. Contact plan for details. For more information on these policies, call your State Insurance Department (see pages 85–86) or visit [www.medicare.gov](http://www.medicare.gov) on the web. Select “Search Tools” at the top of the page.

\*\* Prescription drug coverage may not be sold after January 1, 2006.

80 **Note:** The check marks in this chart mean the benefit is covered under that plan.

## Section 9: Massachusetts, Minnesota, Wisconsin Medigap Plans

### Minnesota – Chart Of Standardized Medigap Plans

#### Basic benefits included in all plans:

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance.
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved payment amount).
- **Blood:** Covers the first three pints of blood each year.

Medigap Benefits	Basic Plan	Extended Basic Plan
Basic Benefits	✓	✓
Medicare Part A: Inpatient Hospital Deductible		✓
Medicare Part A: Skilled-Nursing Facility Coinsurance	✓	✓
Medicare Part B: Deductible		✓
Foreign Travel Emergency	80%	80%*
Outpatient Mental Health	50%	50%
Usual and Customary Fees		80%*
Preventive Care	✓	✓
Prescription Drugs**		80%
At-home Recovery		✓
Physical Therapy	20%	20%
Coverage while in a Foreign Country		80%*
State-Mandated Benefits (Diabetic equipment and supplies, routine cancer screening, reconstructive surgery, and immunizations.)	✓	✓

Optional Riders
<ul style="list-style-type: none"> <li>• Medicare Part A: Inpatient Hospital Deductible</li> <li>• Medicare Part B: Deductible</li> <li>• Usual and Customary Fees</li> <li>• Preventive Care</li> <li>• Prescription Drugs**</li> <li>• At-home recovery</li> </ul> <p>Insurance companies are allowed to offer six additional riders that can be added to a Basic plan. You may choose any one or all of the riders to design a Medigap plan that meets your needs.</p>

\*\* Prescription drug coverage may not be sold after January 1, 2006.

\* The policy pays 100% after you spend \$1000 of out-of-pocket expenses for a calendar year.

**Note:** The check marks in this chart mean the benefit is covered under that plan.



## Section 9: Massachusetts, Minnesota, Wisconsin Medigap Plans

### Wisconsin – Chart Of Standardized Medigap Plans

#### Basic benefits included in all plans:

- **Inpatient Hospital Care:** Covers the Medicare Part A coinsurance.
- **Medical Costs:** Covers the Medicare Part B coinsurance (generally 20% of the Medicare-approved payment amount).
- **Blood:** Covers the first three pints of blood each year.

Medigap Benefits	Basic Plan
Basic Benefits	✓
Medicare Part A: Skilled-Nursing Facility Coinsurance	✓
Inpatient Mental Health Coverage	175 days per lifetime in addition to Medicare
Home Health Care	40 visits in addition to those paid by Medicare
Medicare Part B: Coinsurance	✓
Outpatient Mental Health	✓
Prescription Drugs * (after a deductible of \$6,250, pays 80%)	✓

Optional Riders
<ul style="list-style-type: none"> <li>• Medicare Part A Deductible</li> <li>• Additional Home Health Care (365 visits including those paid by Medicare)</li> <li>• Medicare Part B Deductible</li> <li>• Medicare Part B Excess Charges</li> <li>• Outpatient Prescription Drugs*</li> <li>• Foreign Travel</li> </ul>
Insurance companies are allowed to offer additional riders to a Medigap plan.

\* Prescription drug coverage may not be sold after January 1, 2006.

For more information on these policies, call your State Insurance Department (see pages 85–86) or visit [www.medicare.gov](http://www.medicare.gov) on the web. Select “Search Tools” at the top of the page.

**Note:** The check marks in this chart mean the benefit is covered under that plan.



*section* **10**



# For More Information

Use this section  
to learn where to get  
more information.



## Section 10: For More Information

Words in green  
are defined on  
pages 88–91.

On pages 85–86, you will find telephone numbers for your State Health Insurance Assistance Program and State Insurance Department. These telephone numbers were correct at the time of printing. Telephone numbers sometimes change. You can find the most up-to-date telephone numbers by visiting [www.medicare.gov](http://www.medicare.gov) on the web. Select “Search Tools” at the top of the page. Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

### Where to get more information

- Call your State Health Insurance Assistance Program (see pages 85–86) for help with
  - buying a Medigap policy or long-term care insurance,
  - choosing a Medicare prescription drug plan,
  - dealing with payment denials or appeals,
  - Medicare rights and protections,
  - choosing a Medicare health plan,
  - deciding whether to suspend your Medigap policy, or
  - questions about Medicare bills.
- Call your State Insurance Department (see pages 85–86) if you have questions about the Medigap policies sold in your area or any insurance-related problems.

### Where to call with Medicare questions

If you have questions about Medicare, call 1-800-MEDICARE (1-800-633-4227). Customer service representatives are available 24 hours a day, seven days a week. TTY users should call 1-877-486-2048.

**Section 10: For More Information**

<b>State</b>	<b>State Health Insurance Assistance Program</b>	<b>State Insurance Department</b>
Alabama	(800) 243-5463	(800) 433-3966
Alaska	(800) 478-6065	(800) 467-8725
American Samoa	(888) 875-9229	(684) 633-4116
Arizona	(800) 432-4040	(800) 325-2548
Arkansas	(800) 224-6330	(800) 282-9134
California	(800) 434-0222	(800) 927-4357
Colorado	(800) 243-5463	(800) 930-3745
Connecticut	(800) 994-9422	(800) 203-3447
Delaware	(800) 336-9500	(800) 282-8611
Florida	(800) 963-5337	(800) 342-2762
Georgia	(800) 669-8387	(800) 656-2298
Guam	(888) 875-9229	(671) 475-1817
Hawaii	(888) 875-9229	(808) 586-2790
Idaho	(800) 247-4422	(800) 721-3272
Illinois	(800) 548-9034	(866) 445-5364
Indiana	(800) 452-4800	(800) 622-4461
Iowa	(800) 351-4664	(800) 351-4664
Kansas	(800) 860-5260	(800) 432-2484
Kentucky	(877) 293-7447	(800) 595-6053
Louisiana	(800) 259-5301	(800) 259-5300
Maine	(800) 750-5353	(800) 300-5000
Maryland	(800) 243-3425	(800) 492-6116
Massachusetts	(800) 243-4636	(617) 521-7794
Michigan	(800) 803-7174	(877) 999-6442
Minnesota	(800) 333-2433	(800) 657-3602
Mississippi	(800) 948-3090	(800) 562-2957
Missouri	(800) 390-3330	(800) 726-7390
Montana	(800) 551-3191	(800) 332-6148



## Section 10: For More Information

State	State Health Insurance Assistance Program	State Insurance Department
Nebraska	(800) 234-7119	(800) 234-7119
Nevada	(800) 307-4444	(800) 992-0900
New Hampshire	(800) 852-3388	(800) 852-3416
New Jersey	(800) 792-8820	(800) 446-7467
New Mexico	(800) 432-2080	(800) 947-4722
New York	(800) 333-4114	(800) 342-3736
North Carolina	(800) 443-9354	(800) 546-5664
North Dakota	(800) 247-0560	(800) 247-0560
Northern Mariana Islands	(888) 875-9229	(670) 664-3017
Ohio	(800) 686-1578	(800) 686-1526
Oklahoma	(800) 763-2828	(800) 522-0071
Oregon	(800) 722-4134	(888) 877-4894
Pennsylvania	(800) 783-7067	(877) 881-6388
Puerto Rico	(877) 725-4300	(888) 722-8686
Rhode Island	(401) 462-0508	(401) 222-2223
South Carolina	(800) 868-9095	(800) 768-3467
South Dakota	(800) 536-8197	(877) 310-6560
Tennessee	(877) 801-0044	(800) 342-4029
Texas	(800) 252-9240	(800) 252-3439
Utah	(800) 541-7735	(866) 350-6242
Vermont	(800) 642-5119	(800) 631-7788
Virgin Islands	(340) 776-8311	(340) 773-6449
Virginia	(800) 552-3402	(877) 310-6560
Washington	(800) 562-6900	(800) 562-6900
Washington D.C.	(202) 739-0668	(202) 727-8000
West Virginia	(877) 987-4463	(888) 879-9842
Wisconsin	(800) 242-1060	(800) 236-8517
Wyoming	(800) 856-4398	(800) 438-5768



*section* **11**



# **Words to Know**

Use this section  
to learn the definitions  
of words printed in  
green throughout  
this Guide.



## Section 11: Words to Know

**Assignment**—In the Original Medicare Plan, this means a doctor agrees to accept the Medicare-approved amount as full payment. If you are in the Original Medicare Plan, it can save you money if your doctor accepts assignment. You still pay your share of the cost of the doctor's visit.

**Benefit Period**—The way that Medicare measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you go to a hospital or skilled nursing facility. The benefit period ends when you haven't received any hospital care (or skilled care in a SNF) for 60 days in a row. If you go into the hospital or a SNF after one benefit period has ended, a new benefit period begins. If you are in the Original Medicare Plan, you must pay the inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods you can have.

**Coinsurance**—The percent of the Medicare-approved amount that you have to pay after you pay the deductible for Part A and/or Part B. In the Original Medicare Plan, the coinsurance payment is a percentage of the approved amount for the service (like 20%).

**Copayment**—In some Medicare health plans, the amount that you pay for each medical service, like a doctor's visit. A copayment is usually a set amount you pay for a service. For example, this could be \$10 or \$20 for a doctor's visit. Copayments are also used for some hospital outpatient services in the Original Medicare Plan.

**Creditable Coverage (Medigap)**—Certain kinds of previous health insurance coverage that can be used to shorten a pre-existing condition waiting period. (See pre-existing conditions.)

**Deductible**—The amount you must pay for health care or prescriptions, before Medicare or your prescription drug plan begins to pay. For example, either for each benefit period for Part A, or each year for Part B. These amounts can change every year.

**End-Stage Renal Disease (ESRD)**—Permanent kidney failure that requires dialysis or a kidney transplant.

**Excess Charges**—If you are in the Original Medicare Plan, this is the difference between a doctor's or other health care provider's actual charge (which may be limited by Medicare or the state) and the Medicare-approved payment amount.

**Guaranteed Issue Rights (also called "Medigap Protections")**—Rights you have in certain situations when insurance companies are required by law to sell or offer you a Medigap policy. In these situations, an insurance company can't deny you insurance coverage or place conditions on a policy, must cover you for all pre-existing conditions, and can't charge you more for a policy because of past or present health problems.

**Guaranteed Renewable**—A right you have that requires your insurance company to automatically renew or continue your Medigap policy, unless you make untrue statements to the insurance company, commit fraud or don't pay your premiums.

**Hospice Care**—A special way of caring for people who are terminally ill, and for their family. This care includes physical care and counseling. Hospice care is covered under Medicare Part A (Hospital Insurance).

## Section 11: Words to Know

**Lifetime Reserve Days**—In the Original Medicare Plan, there are 60 days that Medicare will pay for when you are in a hospital more than 90 days during a benefit period. These 60 reserve days can be used only once during your lifetime. For each lifetime reserve day, Medicare pays all covered costs except for a daily coinsurance (\$456 in 2005).

**Long-term Care**—A variety of services that help people with health or personal needs and activities of daily living over a long period of time. Long-term care can be provided at home, in the community, or in various types of facilities, including nursing homes and assisted living facilities. Most long-term care is custodial care. Medicare doesn't pay for this type of care if this is the only kind of care you need.

**Managed Care Plan**—A type of Medicare Advantage Plan that is available in some areas of the country. In most managed care plans, you can only go to doctors, specialists, or hospitals on the plan's list. Plans must cover all Medicare Part A and Part B health care. Some managed care plans cover extras, like prescription drugs. Your costs may be lower than in the Original Medicare Plan.

**Medicaid**—A joint Federal and state program that helps with medical costs for some people with limited incomes and resources. Medicaid Programs vary from state to state, but most health care costs are covered if you qualify for both Medicare and Medicaid.

**Medical Underwriting**—The process that an insurance company uses to decide, based on your medical history, whether or not to take your application for insurance, whether or not to add a waiting period for pre-existing conditions (if your state law allows it), and how much to charge you for that insurance.

**Medically Necessary**—Services or supplies that

- are proper and needed for the diagnosis or treatment of your medical condition;
- are provided for the diagnosis, direct care, and treatment of your medical condition;
- meet the standards of good medical practice in the local area; and
- aren't mainly for the convenience of you or your doctor.

**Medicare Advantage Plan**—A Medicare Program that gives you more choices among health plans. Everyone who has Medicare Parts A and B is eligible, except those who have End-Stage Renal Disease (unless certain exceptions apply).

**Medicare-approved Amount**—In the Original Medicare Plan, this is the Medicare payment amount for an item or service. This is the amount a doctor or supplier is paid by Medicare and you for a service or supply. It may be less than the actual amount charged by a doctor or supplier. The approved amount is sometimes called the "Approved Charge."

**Medicare Prescription Drug Plan**—Beginning January 1, 2006, Medicare will provide prescription drug coverage through insurance companies and private companies. These companies will offer different Medicare prescription drug plans with different covered prescriptions and costs. Like other insurance, if you join a Medicare prescription drug plan you will pay a monthly premium, a yearly deductible, and a share of the cost of your prescriptions. You can sign up for one of these plans starting November 15, 2005. **Note:** These plans are different than Medigap policies that offer prescription drug coverage (see "Medigap prescription drug coverage").



## Section 11: Words to Know

**Medicare SELECT**—A type of Medigap policy that may require you to use hospitals and, in some cases, doctors within its network to be eligible for full benefits.

**Medigap Policy**—A Medicare supplement insurance policy sold by private insurance companies to fill “gaps” in Original Medicare Plan coverage. There are 12 standardized plans labeled Plan A through Plan L, except in Massachusetts, Minnesota, and Wisconsin. These states have different standardized plans. Medigap policies only work with the Original Medicare Plan.

**Open Enrollment Period**—A one-time-only six month period when you can buy any Medigap policy you want that is sold in your state. It starts in the first month that you are covered under Medicare Part B **and** you are age 65 or older. During this period, you can’t be denied coverage or charged more due to past or present health problems.

**Original Medicare Plan**—A fee-for-service health plan that lets you go to any doctor, hospital, or other health care supplier who accepts Medicare and is accepting new Medicare patients. You must pay the deductible. Medicare pays its share of the Medicare-approved amount, and you pay your share (coinsurance). In some cases you may be charged more than the Medicare-approved amount. The Original Medicare Plan has Part A (Hospital Insurance) and Part B (Medical Insurance).

**Pre-existing Condition**—A health problem you had before the date that a new insurance policy starts.

**Preferred Provider Organization (PPO) Plan**—A type of Medicare Advantage Plan in which you use doctors, hospitals, and providers that belong to the network. You can use doctors, hospitals, and providers outside of the network for an additional cost.

**Premium**—The periodic payment to Medicare, an insurance company, or a health care plan for health care coverage.

**Private Fee-for-Service (PFFS) Plan**—A type of Medicare Advantage Plan in which you may go to any Medicare-approved doctor or hospital that accepts the plan’s payment. The insurance plan, rather than the Medicare program, decides how much it will pay and what you pay for the services you get. You may pay more for Medicare-covered benefits. You may have extra benefits the Original Medicare Plan doesn’t cover.

**Programs of All-inclusive Care for the Elderly (PACE)**—PACE combines medical, social, and long-term care services for frail people. PACE is available only in states that have chosen to offer it under Medicaid. To be eligible, you must

- be 55 years old or older,
- live in the service area of the PACE program,
- be certified as eligible for nursing home care by the appropriate state agency, and
- be able to live safely in the community.

The goal of PACE is to help people stay independent and living in their community as long as possible, while getting the high-quality care they need.

## Section 11: Words to Know

**Skilled Nursing Facility Care**—A level of care that requires the daily involvement of skilled nursing or rehabilitation staff and can't be done on an outpatient basis. Examples of skilled nursing care include getting intravenous injections and physical therapy. A need for custodial care, such as help with bathing and dressing, can't, in itself, qualify you for Medicare coverage in a skilled nursing facility. However, if you qualify for skilled nursing or rehabilitation care, Medicare covers all of your care needs in the facility.

**Skilled Nursing Facility**—A nursing facility with the staff and equipment to give skilled nursing care and/or skilled rehabilitation services and other related health services.

**Special Needs Plan**—A type of Medicare Advantage Plan that provides more focused health care for some people. These plans give you all your Medicare health care as well as more focused care to manage a disease or condition such as congestive heart failure, diabetes, or End-Stage Renal Disease.

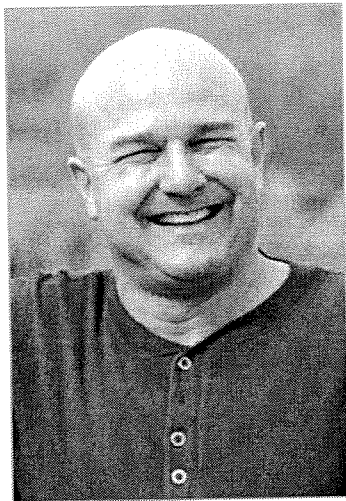
**State Health Insurance Assistance Program**—A state program that gets money from the Federal Government to give free local health insurance counseling to people with Medicare.

**State Insurance Department**—A state agency that regulates insurance and can provide information about Medigap policies and any insurance-related problems.

**State Medical Assistance Office**—A state agency that is in charge of the state's Medicaid program and can give information about programs that help pay medical bills for people with low incomes. Also provides help with prescription drug coverage.



# Notes



"I keep this book on my shelf so I know where to find it if I have a question."



*section* **12**



# List of Topics

This section  
is an alphabetical list  
of specific topics  
discussed in this Guide,  
with page numbers.



## Section 12: List of Topics

**TIP:** Use the “Table of Contents” on pages 1–2 to help you find the sections you want to read.

### A

Assignment .....	15, 34, 88
At-Home Recovery .....	20, 47, 81
Attained-Age-Rated Policies.....	22, 23

### B

Basic Benefits	
Plans A through J.....	18, 43
Plans K and L .....	19, 44, 45
Basic Drug Benefit (Plans H and I) .....	20
Benefit Period .....	15, 48, 88
Blood .....	15, 18, 19, 43, 45, 80–82

### C

Cardiovascular Screening .....	4
Changing (Switching) Medigap Policies .....	32
Coinsurance.....	9, 18–21, 44, 46, 48, 75, 76, 80–82, 88
Consolidated Omnibus Budget Reconciliation Act (COBRA) ....	57, 71, 72
Copayment .....	9, 15, 18, 19, 43, 44, 88
Cost/Pricing Policies .....	22, 23
Creditable Coverage (Medigap) .....	26, 30, 88

### D

Deductible .....	9, 15, 18–21, 24, 43, 46–48, 75, 76, 80–82, 88
Delaying Part B Enrollment .....	28
Diabetes Screening .....	4, 47
Disability.....	65–68

### E

Employee Coverage .....	30, 72
Employer Group Health Plan .....	55, 57, 68, 72
End-Stage Renal Disease (ESRD) .....	16, 26, 66, 67, 88
Excess Charges .....	15, 20, 46, 82, 88
Extra Benefits	
Plans B through J.....	20, 46, 47
Plans K and L .....	21, 48

### F

Federally Qualified Health Centers .....	72
Finding Reliable Insurance Companies .....	36
Foreign Travel Emergency .....	20, 24, 46, 80–82

## Section 12: List of Topics

### G

General Enrollment Period (Part B) .....	28
Guaranteed Issue Rights.....	29, 54–62, 88
Guaranteed Renewable .....	13, 33, 88

### H

High-Deductible Option .....	24
Home and Community-Based Service/Waiver Programs (HCBS).....	73
Hospice Care.....	19, 45, 88
Hospital Indemnity Insurance .....	30

### I

Initial Enrollment Period.....	28
Inspector General's Office .....	35
Issue-Age-Rated Policies .....	22, 23

### L

Lifetime Reserve Days .....	43, 89
Long-Term Care (Insurance).....	30, 73

### M

Medicaid .....	13, 14, 30, 35, 74, 75, 77, 89
Medical Underwriting.....	24, 27, 74, 89
Medically Necessary .....	8, 89
Medicare Advantage Plan .....	9, 10, 13, 14, 39, 55, 56, 58–61, 67, 89
Medicare-Approved Amount .....	15, 43–47, 89
Medicare-Approved Drug Discount Card.....	75
Medicare Managed Care Plan.....	9, 89
Medicare Part A (Hospital Insurance) .....	8–10, 13, 17–20, 26, 30 43, 44, 46, 80–82
Medicare Part B (Medical Insurance) .....	8–10, 13–20, 26, 28, 30, 43 44, 46, 47, 80–82
Medicare Preferred Provider Organization Plan.....	9, 90
Medicare Prescription Drug Plans .....	38–40, 89
Medicare Private Fee-for-Service Plan .....	9, 90
Medicare Savings Programs.....	76
Medicare SELECT .....	16, 20, 21, 25, 55, 60, 90
Medicare Special Needs Plan .....	9, 91
Medicare Supplement Insurance .....	(see Medigap)



## Section 12: List of Topics

### M (continued)

#### Medigap

##### Basic Benefits

Plans A through J ..... 18, 43

Plans K and L ..... 19, 44, 45

##### Extra Benefits

Plans B through J ..... 20, 46, 47

Plans K and L ..... 21, 48

Steps To Buying ..... 42–52

Under age 65 ..... 66–68

What It Is ..... 12, 13, 90

What's Covered and What's Not Covered ..... 16, 18

When To Buy ..... 26–28

Why You Might Need It ..... 14, 15

#### Medigap Benefits Chart

For Plans A through J ..... 18, 20, 43, 46, 47

For Plans K and L ..... 19, 21, 44, 45, 48

For Massachusetts ..... 80

For Minnesota ..... 81

For Wisconsin ..... 82

Medigap Policies and Medicare Prescription Drug Plans ..... 38–40

Medigap Protections ..... 54–62

Military Retiree Benefits ..... 76

### N

No-Age-Rated Policies ..... 22, 23

### O

Open Enrollment Period (Medigap) ..... 26–29, 54, 66, 67, 90

Original Medicare Plan ..... 9, 10, 90

Other Ways to Pay Health Care Costs ..... 70–77

### P

PACE (Programs of All-inclusive Care for the Elderly) .... 55, 56, 58–60  
76, 90

Pre-existing Condition ..... 24, 26, 29, 31, 50, 54, 67, 74, 90

Premium ..... 10, 13, 22, 23, 32, 33, 90

Prescription Drug Plans (Medicare) ..... 4, 5, 38–40, 47, 62, 75, 89

Preventive Services (Care) ..... 4, 20, 47

Pricing Policies ..... 22, 23

## Section 12: List of Topics

### R

Reliability .....	36
Retiree Coverage .....	72

### S

Skilled Nursing Facility (Care).....	15, 20, 21, 46, 48, 91
Special Enrollment Period (Part B) .....	28
Specified Disease Insurance .....	30, 77
Standardized Medigap Plans	
Plans A through J .....	18, 20, 43, 46, 47
Plans K and L .....	19, 21, 44, 45, 48
For Massachusetts .....	80
For Minnesota .....	81
For Wisconsin .....	82
State Children's Health Insurance Program .....	77
State Health Insurance Assistance Program .....	6, 20, 21, 38, 49
	54, 66, 85, 86, 91
State Insurance Department .....	20, 21, 35, 36, 49, 52, 54, 85, 91
State Medical Assistance Office .....	76, 91
Switching Medigap Policies .....	32
<b>T</b>	
TRICARE .....	30, 76
<b>U</b>	
Union Coverage .....	30, 57, 72
<b>V</b>	
Veterans' Benefits .....	77
<b>W</b>	
Waiting Period.....	31, 67
"Welcome to Medicare" Physical Exam.....	4
www.medicare.gov .....	4, 6, 10, 49, 75–77

**Note:** The information in this "Guide" was correct when it was printed. Changes may occur after printing. For the most up-to-date version, visit [www.medicare.gov](http://www.medicare.gov) on the web. Select "Search Tools" at the top of the page. Or, call 1-800-MEDICARE (1-800-633-4227). A customer service representative can tell you if the information has been updated. TTY users should call 1-877-486-2048.